



26 October 2018

MR. GREGORIO D. GARCIA III

Chairperson

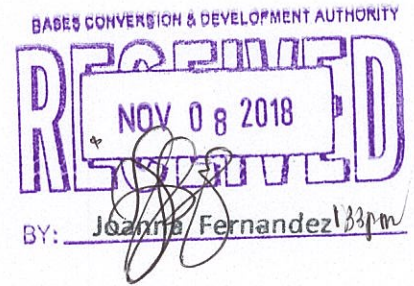
MR. VIVENCIO B. DIZON

President and CEO (PCEO)

BASES CONVERSION AND DEVELOPMENT AUTHORITY

2/F Bonifacio Technology Center, 31st Street cor. 2nd Avenue

Bonifacio Global City, Taguig City



**RE : VALIDATION RESULT OF 2017
PERFORMANCE SCORECARD OF BCDA**

Dear Chairperson Garcia and PCEO Dizon,

This is to formally transmit the validation result of BCDA's 2017 Performance Scorecard. Based on the validation of documentary submissions, the BCDA gained an over-all score of **69.53%** (See **Annex A**).

In relation to its application for the grant of 2017 PBB to eligible officers and employees, BCDA fails to satisfy the requirements of **GCG MEMORANDUM CIRCULAR (M.C.) No. 2017-01¹** and the *Checklist of Documents to be submitted by GOCCs to Qualify for the 2017 Performance-Based Bonus (PBB)*, particularly the achievement of a weighted-average score of at least 90% in its 2017 Performance Scorecard. In this regard, the Board is reminded that any unilateral action to release the PBB will be considered as a violation of the Board's fiduciary duty to protect the assets of the GOCC as provided under Section 19 of Republic Act No. 10149².

Consequently, pursuant to GCG M.C. No. 2016-01³, failure to qualify for the PBB means that the Appointive Members of the Governing Board of BCDA shall not be qualified to receive the Performance-Based Incentive (PBI).

FOR YOUR INFORMATION AND GUIDANCE.

Very truly yours,

SAMUEL G. DAGPIN, JR.

Chairman

MICHAEL P. CLORIBEL
Commissioner

MARITES C. DORAL
Commissioner

cc: COA Chairman **MICHAEL G. AGUINALDO**
 COA Resident Auditor - BCDA

¹ Interim Performance-Based Bonus, dated 09 June 2017.

² GOCC Governance Act of 2011.

³ Compensation Framework for Members of the GOCC Governing Boards, dated 10 May 2016.



**BASES CONVERSION AND DEVELOPMENT AUTHORITY (BCDA)
Performance Scorecard Evaluation**

Objective / Measure		Component		Rating		Target		BCDA		GCG Validation		Supporting Documents		GCG Remarks	
		Formula	Weight	Scale	2017	Actual	Rating	Score	Rating	Score	Documents	Remarks			
SO 1 Develop the Baselands into World-Class Economic Centers															
SM 1	Project Milestone: Clark International Airport (CIA) Terminal Expansion	Attainment of project milestone	10.00%	All or Nothing	Completion of Bidding (Issuance of Notice of Award)	Bidding Completed. The NOA was issued on 18 Dec 2017	10.00%	Bidding Completed	10.00%	10.00%	• Notice of Award (NOA) dated 18 December 2017	Acceptable. BCDA's request to increase the weight from 5% to 10% is APPROVED based on the justification presented that this project is one of the major projects under the "Build/Build (BBB)" Convergence Program. However, the request to revise the rating scale from "All or Nothing" to a graduated scale based on milestones is DENIED. This is due to the fact that the GCG already accepted project milestones as targets under the BCDA scorecard due to the nature of BCDA operations which involves the implementation of big-ticket projects spanning more than one year.			
SM 2	Project Milestone: Luzon Bypass Infrastructure Project	Attainment of project milestone	10.00%	All or Nothing	Start of construction of foundation and terminal stations	Construction was started on 18 Dec 2017	10.00%	Insufficient Supporting Document	0.00%	0.00%	• BCDA Internal Memo dated 8 January 2018 re: Report on Clearing and Fencing of the Cable Landing Station	The target, as adopted from BCDA's proposal, was consistent with the milestones provided under the strategic initiative profile for the project submitted together with the proposed PES of BCDA. Based on the projected timeline provided therein, the issuance of NOA and Notice to Proceed (NTP) was estimated to be completed within August and			

Objective / Measure	Component	Formula	Weight	Rating Scale	Target 2017	BCDA		GCG Validation		Supporting Documents	GCG Remarks
						Actual	Rating	Score	Rating		
SM 3	Preparation of the Comprehensive Integrated Master Development Plan for BCDA Ecozones	Actual Accomplishment	5.00%	All or Nothing	Completion of Bidding (Issuance of Notice of Award)	Bidding Completed. The NOA was issued on 22 Dec 2017	5.00%	Bidding Completed	5.00%	<ul style="list-style-type: none"> Notice of Award dated 22 December 2017 	<p>September 2017, respectively, while, the construction was estimated to start in October 2017. However, copies of the NOA, NTP, and Project Contract were not submitted by BCDA. Therefore, lacking these documents, the GCG cannot conclude whether BCDA met the target; hence, no score was given for this accomplishment.</p> <p>Similar with SM 1, BCDA also requested for the modification of the weight and rating scale for this measure. Correspondingly, the request to revise the weight is APPROVED, while the request to revise the rating scale is DENIED consistent with the rationale mentioned under SM 1.</p>
											<p>Acceptable. However, the request to modify the weight to 6% is DENIED due to lack of merit.</p>

Objective / Measure	Component	Formula	Weight	Rating Scale	Target 2017	BCDA		GCG Validation		Supporting Documents	GCG Remarks
						Actual	Rating	Score	Rating		
SM 4	Actual Investment in BCDA Economic Zones	Total amount in pesos	10.00%	greater than ₱632 Million = 10% between ₱444 Million to ₱632 Million = 5% less than ₱444 Million = 0%	₱632 Million	₱2,053 Million	10.00%	₱1.23 Billion	10.00%	<ul style="list-style-type: none"> Breakdown of the Projects per funding source, implementing body, and the nature of the project in general 	BCDA exceeded the target, subject to the below notes: 1. Upon validation, the GCG excluded the reported accomplishment for CDC, JHMC, and PPMC amounting ₱625 Million, ₱123 Million, and ₱75 Million, respectively. 2. During onsite visit, it was validated that projects reported under CDC's account are directly funded and implemented by CDC and thus are not considered as investments of BCDA. 3. In the case of JHMC and PPMC, only land related costs can be considered as investments since these are intended for the "development of the estate such as maintenance and safeguard of property, CAPEX projects and furniture, fixtures and equipment". 4. Reported accomplishment for JHMC and PPMC were excluded since it cannot be established, based on the available supporting document, if the amount pertains to releases for land related costs or OPEX.

¹ As defined under the 2017 COA Annual Audit Report on BCDA.

Objective / Measure		Component	Formula	Weight	Rating Scale	Target 2017	Actual	BCDA Rating	GCG Validation Score	Supporting Documents	GCG Remarks
SO 2 Optimize the Benefits of the Country from the Conversion and Development of the Baseland											
SM 5	Total Remittance to the National Government	Total amount in pesos		10.00%	greater than ₱4 Billion = 10% between ₱3.5 Billion to ₱4 Billion = 8% below ₱3.5 Billion = 0%	₱4 Billion	₱4.002 Billion	10.00%	₱4.002 Billion	10.00%	<ul style="list-style-type: none"> Bureau of the Treasury (BTr) Letter dated 04 April 2017 BTr Official Receipt dated 30 March 2017 Summary of the Total Remittances 2017 COA Audited Report
SM 6	Increase the Number of Strongly Satisfied Stakeholders	No. of stakeholders who gave a rating of Strongly Satisfied (rating of 5 in a 5-point scale)/ Total No. of Stakeholders surveyed		5.00%	(Actual / Target) x Weight	50%	44%	4.40%	44%	4.40%	<ul style="list-style-type: none"> 2017 Stakeholders Satisfaction Study for BCDA submitted by Market Relevance Corp on 14 February 2018
		Sub-total		50.00%				49.40%			39.40%

Objective / Measure		Component	Formula	Weight	Rating Scale	Target 2017	BCDA Actual	BCDA Rating	GCG Validation Score	GCG Validation Rating	Supporting Documents	GCG Remarks
SO 3 Achieve Best Value from the Disposition of Lands												
SM 7	Cash Proceeds from Business Contracts in BCDA Economic Zones	Total amount in pesos		10.00%	greater than ₱2.20 Billion = 10% between ₱1.71 Billion to ₱2.20 Billion = 8% between ₱1.61 Billion to ₱1.70 Billion = 5% less than ₱1.61 Billion = 0%	₱1.70 Billion	₱3,078 Million	10.00%	₱2.19 Billion	8.00%	<ul style="list-style-type: none"> Summary of Cash Proceeds per Subsidiary COA Annual Audit Report on BCDA, CDC, JHMC, and PPMC for 2017 	GCG-validated actual was based on the 2017 COA Audit Reports.
SM 8	Cash Proceeds from Regular Accounts	Total amount in pesos		10.00%	Greater than ₱3.6 Billion = 10% Between ₱2.90 Billion to ₱3.6 Billion = 8%	₱2.7 Billion	₱3,930 Million	10.00%	₱4,001 Billion	10.00%	<ul style="list-style-type: none"> Summary of Cash Proceeds from Business Contracts COA Annual Audit Report on BCDA for 2017 	GCG-validated actual of ₱4,001 Billion was based on the revised submission of BCDA which was consistent with the 2017 COA Audit Report.

Component		BCDA	GCG Validation		Supporting Documents		GCG Remarks		
Objective / Measure	Formula	Weight	Rating Scale	Target 2017	Actual	Rating	Score	Rating	
			Between ₱2.70 Billion to ₱2.89 Billion = 5% Less than ₱2.70 Billion = 0%						
Sub-total		20.00%				20.00%		18.00%	
SO 4 Strengthen and Streamline Project Management Processes									
SM 9	Percentage of Simple Contracts Prepared and Reviewed Within the Applicable Processing Time	5.00%	(Actual / Target) x Weight	90%	29 out 30 contracts processed within 8 days = 96% of Total Number of Contracts	4.83%	83% (25 out of 30 simple contracts were processed by LSD within 8 days)	4.63%	<ul style="list-style-type: none"> List of Simple Contracts Reviewed in 2017 Process Workflow Cover Sheet for incoming requests received by Legal Services Department (LSD) Copy of Logbook entries (incoming and outgoing drafted contracts of lawyers) <p>BCDA reported its actual accomplishment by starting its computation from the day a contract is assigned to a lawyer and ends when the lawyer finished the contract review. Processing time was also computed to exclude leave of absences, meetings and hearing dates. However, the above method is unacceptable. The measures in the scorecard aims to reflect an enterprise-wide accomplishment and is organizational in nature. The GCG-validated score was recomputed based on the submitted copy of cover sheets (date received by LSD) and logbook pages (date released by LSD to the requesting office). To compute the</p>
INTERNAL PROCESS									

Component		BCDA		GCG Validation		GCG Remarks		
Objective / Measure	Formula	Weight	Rating Scale	Target 2017	Actual	Rating	Score	
								working days, only weekends and holidays were removed. BCDA's request to reduce the weight for this measure from 7.5% to 4% is <u>APPROVED, BUT WITH MODIFICATION</u> . Considering that the measure pertains only to a support process, but which is also vital to ensure contracts entered into by BCDA are not disadvantageous to the government, weight will be revised, from 7.5% to 5%.
								Summary list of TAT Computation
								Summary of Progress Billings Processed
								Electronic Document Tracking System (EDTS) Summary Report
								Request Letter from Subsidiaries
								0.00%
								Insufficient Supporting Document
								5.00%
								50 out of 50 infrastructure re related billings processed within 10 working days
								90%
								(Actual / Target) x Weight
								5.00%
								% of infrastructure re-related billings of BCDA subsidiaries processed within 10 working days / total number of infrastructure re-related billings processed
								Percentage of Infrastructure -Related Billings of BCDA Subsidiaries Processed Within the Applicable Processing Time
SM 10								The GCG was not able to validate the dates reported in the summary provided due to the ambiguity of the supporting documents submitted and presented. However, as in the case of SM 9, the request to reduce the weight is <u>APPROVED BUT WITH MODIFICATION</u> , from 7.5% to 5%.
SO 5 Efficient Coordination with Subsidiaries								

Objective / Measure	Component	Formula	Weight	Rating Scale	Target 2017	BCDA		GCG Validation		Supporting Documents	GCG Remarks
						Actual	Rating	Score	Rating		
SM 11	Implementation of the Computerized Accounting System	Actual Accomplishment	5.00%	All or Nothing	Approval of Business Process for JHMC and PPMC	The Business Process was approved in 4th Quarter of 2017	5.00%	Approved Business Process for JHMC and PPMC	5.00%	<ul style="list-style-type: none"> Acumatica Manual of Business Processes submitted by CloudQwest Solutions, Inc. Screenshots of Processes (Actual Operation) 	Acceptable.
SO 6 Optimize the Use of Information Technology											
SM 12	Implementation of the Human Resource Information System (HRIS)	Actual Accomplishment	5.00%	All or Nothing	HRIS Operational by end 2017	Operational in 4th Quarter of 2017	5.00%	HRIS not fully operational	0.00%	<ul style="list-style-type: none"> Certification from Octal Philippines, Inc./ CloudQwest Solutions, Inc. dated 27 December 2017 Contract for HRIS implementation dated 24 April 2018 Terms of Reference 	<p>Based on the findings during the onsite visit and validation of supporting documents, it was observed that the project implementation is delayed and that the HRIS project is only <u>PARTIALLY OPERATIONAL</u> as of 27 December 2017 considering the approved project timeline and scope of work.</p> <p>It was also noted that section 3.1.C of the contract requires the implementation of 10 modules. However, based on the certification provided by the provider/developer not all modules were developed in 2017.</p> <p>BCDA requested to revise the weight of this measure from 5% to 4%. However, GCG <u>MAINTAINS</u> the original weight.</p>

Component		GCG Validation		BCDA		Target		Rating		GCG Remarks	
Objective / Measure	Formula	Weight	Score	Rating	Actual	Rating	2017	Scale	Actual	2017	Supporting Documents
											consistent with the weight for the measure on CAS (SM 11) to standardize the weight for IT-related measures.
	Sub-total	20.00%		19.83%		9.63%					
SO 7 Develop a Quality Management System for All Processes											
SM 13	ISO Certification for All Processes	Actual Accomplishment									
			ISO 9001:2008 Certificate retained = 2.5%	2.50%	Receipt of ISO 9001:2008 Certificate on 24 Aug 2017	2.50%	ISO 9001:2008 Certificate retained and Readiness Certificate for ISO 9001:2015 not attained	Readiness Certificate for ISO 9001:2015 not attained	ISO 9001:2008 Certificate retained	2.50%	<ul style="list-style-type: none"> • Certification for ISO 9001:2008 issued by TUV Rheinland on 22 August 2017 • Minutes of BCDA ManCom Meeting dated 31 January 2017 on the QMS Management Review Report and IQA Findings
			Readiness Certificate for ISO 9001:2015 = 2.5%		Readiness Certificate for ISO 9001:2015 not attained						BCDA requested to retain its proposed weight of 4% with only one (1) target. During the crafting of BCDA's scorecard, GCG took into consideration BCDA's posting on its website of its Request for Proposal on the engaging of a third party certifying body for the re-certification audit to ISO 9001:2008, Certification Audit and Surveillance Audit to ISO 9001:2015. As provided in the timeline included therein, the re-certification audit for the ISO 9001:2008 standards was projected to be completed in June 2017. However, the ISO Certification was only obtained in August 2017. We find that had BCDA met its timeline, the remaining six months could have been utilized to facilitate the migration to the ISO 9001:2015 standards and eventually obtain a readiness certificate. In this regard, BCDA's request is hereby DENIED .

Objective / Measure	Component	Formula	Weight	Rating Scale	Target 2017	BCDA		GCG Validation		Supporting Documents	GCG Remarks
						Actual	Rating	Score	Rating		
SM 14	Establishment of a Competency-Based Framework Model	Actual Accomplishment	5.00%	All or Nothing	Board-approved Competency Matrix ¹	Not Attained	0.00%	Not Attained	0.00%	<ul style="list-style-type: none"> Revised Competency Framework Attendance sheet and presentation on the conduct of orientation/ training dated 30 June 2017 Memo dated 22 June 2017 to Reconstitute TWG for Competency Framework and conduct of workshop on competency model writing Attendance Sheet on the workshop for competency model writing 	<p>While it is acknowledged that the request for OSSP modification is still pending with the GCG, it cannot be used as justification for the delayed implementation of this project.</p> <p>As previously discussed with BCDA, the development of the competency model remains relevant and significant to BCDA pending the approval of RP. Undergoing the process of determining and identifying required competencies for an organization to fully function, will complement the initiative of BCDA to have an appropriate structure and staffing.</p> <p>On the request to modify the target, please note that the target for 2017 is one of the targets under the 2016 scorecard which BCDA failed to accomplish, hence re-targeted in 2017. Instead of retaining the unaccomplished target in 2016, the 2017 target was further revised to give leeway and be lenient enough to consider the current workload and conditions presented by BCDA. As such, BCDA was only required to</p>

¹ Pertains to the matrix of all position titles and competencies that identifies the (1) competencies required for each position and (2) the required competency levels for those competencies.

Objective / Measure	Component Formula	Weight	Rating Scale	Target 2017	BCDA		GCG Validation		Supporting Documents	GCG Remarks
					Actual	Rating	Score	Rating		
									dated 04 and 11 July 2017 <ul style="list-style-type: none"> Special Order No. 187 for the workshop on competency model writing Phase 2 Report 	complete the competency matrix – one out of six documents usually required of a GOCC to submit and complete within one year. It should be noted that the proposed target of BCDA pertains to preparatory activities and not tangible output. In line with this, the request to modify the target is <u>DENIED.</u>
	Sub-total	10.00%								2.50%
	TOTAL	100.0%								69.53%

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